

TOWNSHIP OF PERRY  
(SHIAWASSEE COUNTY)

FINANCIAL STATEMENTS

MARCH 31, 2006

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name TOWNSHIP OF PERRY	County SHIAWASSEE
Fiscal Year End 03/31/06	Opinion Date 07/13/06	Date Audit Report Submitted to State 9/7/06	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

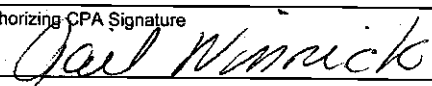
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Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☐ ☒ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☐ ☒ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☒ The local unit is free of repeated comments from previous years.
12. ☐ ☒ The audit opinion is UNQUALIFIED.
13. ☐ ☒ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☐ ☒ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) DEMIS & WENZLICK, P.C.		Telephone Number 989-723-8227	
Street Address 217 N WASHINGTON, SUITE 201		City OWOSSO	State MI
Authorizing CPA Signature 		Printed Name GAIL WINNICK	Zip 48867
		License Number 1101019969	

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# DEMIS and WENZLICK, P.C.

Certified Public Accountants

217 N. Washington Street  
Pabst Building, Suite 201  
Owosso, MI 48867

989-723-8227 • FAX 989-725-5143  
E-MAIL office@dw-cpa.com

## INDEPENDENT AUDITOR'S REPORT

James Demis, Jr., C.P.A.  
LaVearn G. Wenzlick, C.P.A.  
Lori S. Chant, C.P.A.  
Geraldine Terry, C.P.A.

Carol A. Demis  
Jeanette Gaitskill  
Greg Irish  
Janis K. Mead  
Tammy Pappas  
David Pullen  
Peggy Ryan  
Joyce M. Simmons  
Barbara Wenzlick  
Gail Winnick, C.P.A.

Members of the Township Board  
Township of Perry  
Shiawassee County, Michigan

Gentlemen:

We have audited the accompanying general-purpose financial statements of the Township of Perry, Michigan as of and for the year ended March 31, 2006. These financial statements are the responsibility of the Township of Perry, Michigan's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We have conducted our audit in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The Township has not presented government-wide financial statements to display the financial position and changes in financial position of its governmental activities and business-type activities as required by the Governmental Accounting Standards Board (GASB 34). Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. GASB 34 requires management's discussion and analysis which also has not been prepared.

In our opinion, except for the non-application of GASB 34, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Township of Perry, Michigan, as of March 31, 2006, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the combined financial statements taken as a whole and on the combining and individual fund financial statements. The accompanying financial information has been subjected to the auditing procedures applied in the examination of the combined, combining, and individual fund financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Our report of comments and recommendations dated July 13, 2006 has been submitted under separate cover.

*Dennis and Wenzel, PC*

Certified Public Accountants

Owosso, Michigan  
July 13, 2006

TOWNSHIP OF PERRY  
COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS  
AND DISCRETELY REPORTED COMPONENT UNITS  
MARCH 31, 2006

	<u>GOVERNMENT FUND TYPES</u>			<u>PROPRIETARY FUND TYPE</u>	<u>FIDUCIARY FUND TYPE</u>
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	<u>ENTERPRISE</u>	<u>TRUST &amp; AGENCY</u>
<b>ASSETS:</b>					
Cash	\$211,998	\$101,139	\$ 89,621	\$41,696	\$65,257
Investments		51,801			
Accts. Rec.	40,538			2,380	
Taxes Rec.	10,052	16,134			
Due from Other Funds	33,930	887			2,383
Fixed Assets (Net of Accum Deprec.)					
<b>TOTAL ASSETS</b>	<u>\$296,518</u>	<u>\$169,961</u>	<u>\$ 89,621</u>	<u>\$44,076</u>	<u>\$67,640</u>
<b>LIABILITIES:</b>					
Accts. Payable	\$ 1,170	\$ -0-	\$	\$	\$35,319
P/R Taxes Payable	1,506				
Due to Other Funds	887	1,609			32,321
<b>TOTAL LIABILITIES</b>	<u>\$ 3,563</u>	<u>\$ 1,609</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$67,640</u>
<b>FUND EQUITY:</b>					
Investment in Gen. Fixed Assets	\$	\$	\$	\$	\$
Ret. Earnings - Unrestricted					
Fund Balance - Unrestricted	292,955	168,352	89,621	44,076	
<b>TOTAL FUND EQUITY</b>	<u>\$292,955</u>	<u>\$168,352</u>	<u>\$ 89,621</u>	<u>\$44,076</u>	<u>\$ -0-</u>
<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<u>\$296,518</u>	<u>\$169,961</u>	<u>\$ 89,621</u>	<u>\$44,076</u>	<u>\$ -0-</u>

The accompanying notes are an integral  
part of the financial statements.



TOWNSHIP OF PERRY  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ALL GOVERNMENTAL FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNITS  
YEAR ENDED MARCH 31, 2006

	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	COMPONENT UNIT	ACCT. GROUPS GENERAL FIXED ASSETS	COMPONENT UNIT
REVENUES:						
Property Taxes	\$ 76,358	\$ 47,308	\$	\$ 20,717	\$	\$47,830
State Shared Rev.	247,858					
Tax Admin. Fees	33,798					
Interest Income	17,541	6,296	5,849	1,671		
Miscellaneous	<u>51,603</u>	<u>300</u>	<u>-0-</u>	<u>-0-</u>	<u>632,711</u>	
TOTAL REVENUES	<u>\$427,158</u>	<u>\$ 53,904</u>	<u>\$ 5,849</u>	<u>\$ 22,388</u>	<u>\$632,711</u>	<u>\$47,830</u>
EXPENDITURES:						
Twp. Board	\$ 3,372	\$	\$	\$	\$	\$
Supervisor	16,107					
Clerk	21,723					
Board of Review	1,020					
Treasurer	24,541					
Assessor	18,149					
Elections	1,936					
Hall & Grounds	31,595					
Other General Gov't.	158,460	9,274	124,988	53,686		2,384
Cemetery	29,650					
Roads	<u>143,191</u>					
TOTAL EXPEND.	<u>\$449,744</u>	<u>\$ 9,274</u>	<u>\$ 124,988</u>	<u>\$ 53,686</u>	<u>\$</u>	<u>\$ 2,384</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (22,586)</u>	<u>\$ 44,630</u>	<u>\$ (119,139)</u>	<u>\$ (31,298)</u>	<u>\$</u>	<u>\$</u>
OTHER SOURCES (USES) OF FUNDS: Transfers In	\$139,768	\$	\$	\$	\$	\$
Transfers Out	<u>139,768</u>	<u>139,768</u>	<u></u>	<u></u>	<u></u>	<u>45,446</u>
EXCESS OF REVENUES OVER (UNDER) EXPEND. & OTHER SOURCES (USES) OF FUNDS	<u>\$117,182</u>	<u>\$ (95,138)</u>	<u>\$ (119,139)</u>	<u>\$ (31,298)</u>	<u>\$</u>	<u>\$</u>
Fund Balance 4-1-05	<u>175,773</u>	<u>263,490</u>	<u>208,760</u>	<u>76,744</u>	<u></u>	<u>45,446</u>
FUND BALANCE AT 3-31-06	<u>\$255,445</u>	<u>\$168,352</u>	<u>\$ 89,621</u>	<u>\$ 45,446</u>	<u>\$632,711</u>	<u>\$47,830</u>

TOWNSHIP OF PERRY  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL, SPECIAL REVENUE AND CAPITAL PROJECTS FUND TYPES  
YEAR ENDED MARCH 31, 2006

	GENERAL FUND		SPECIAL REVENUE		FUND TYPES		CAPITAL PROJECT FUND TYPES	
	BUDGET	ACTUAL	ACTUAL (OVER) UNDER	BUDGET	ACTUAL	ACTUAL (OVER) UNDER	BUDGET	ACTUAL (OVER) UNDER
REVENUES:								
Taxes	\$ 66,000	\$ 76,358	\$ (10,358)	\$ 46,300	\$ 47,308	\$ (1,008)	\$	\$
Rent	12,000	7,515	4,485					
Cable Fees	6,000	12,854	(6,854)					
State Shared								
Revenues	220,000	247,858	(27,858)					
Tax Admin Fees	28,400	33,798	(5,398)					
Interest Inc.	3,500	17,541	(14,041)	1,030	6,296	(5,266)	500	5,849
Misc. Inc.	21,420	31,234	(9,784)	62,500	300	62,200	-0-	-0-
TOTAL REV.	\$ 357,350	\$ 427,158	\$ (69,808)	\$ 109,830	\$ 53,904	\$ 55,926	\$ 500	\$ 5,849
								\$ (5,349)
EXPENDITURES:								
Twp. Board	\$ 4,250	\$ 3,372	878					
Supervisor	15,200	16,107	(907)					
Clerk	25,000	21,723	3,277					
Board of Rev.	1,750	1,020	730					
Treasurer	38,600	24,541	14,059					
Assessor	17,900	18,149	(249)					
Elections	7,950	1,936	6,014					
Hall & Grounds	46,850	31,595	15,255					
Other Gen. Gov't	169,895	158,460	11,435	78,443	9,274	69,169	62,071	124,988
Cemetery	69,100	29,650	39,450					(62,917)
Roads	170,000	143,191	26,809	198,801	-0-	198,801		
TOTAL EXPEND.	\$ 566,495	\$ 449,744	\$ 116,751	\$ 272,244	\$ 9,274	\$ 267,970	\$ 62,071	\$ 124,988
								\$ (62,917)
EXCESS OF REVENUES								
OVER (UNDER)								
EXPENDITURES	\$ (209,145)	\$ (122,586)	\$ (186,559)	\$ (167,414)	\$ 44,630	\$ (212,044)	(61,571)	\$ (119,139)
								\$ 57,568
OTHER SOURCES (USES):								
Transfers In	\$ 130,000	\$ 139,768	\$ (9,768)	\$ 15,000	\$ -0-	\$ 15,000	\$	\$
Transfers Out	-0-	-0-	-0-	-0-	139,768	(139,768)	-0-	-0-
EXCESS OF REVENUES								
OVER (UNDER)								
EXPENDITURES AND								
OTHER SOURCES (USES)								
OF FUNDS	\$ (79,145)	\$ 117,182	\$ (196,327)	\$ (152,414)	\$ (95,138)	\$ (57,276)	\$ (61,571)	\$ (119,139)
Fund Balance 4-1-05		175,773			263,490			208,760
FUND BALANCE 3-31-06		\$ 255,445			\$ 168,352			\$ 89,621

The accompanying notes are an integral  
part of these financial statements.

TOWNSHIP OF PERRY  
COMBINED STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
FOR THE YEAR ENDED MARCH 31, 2006

	<u>BALANCE</u> <u>4-01-05</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>3-31-06</u>
CURRENT TAX COLLECTION FUND				
ASSETS:				
Cash	\$ 2,797	\$2,870,652	\$2,808,192	\$65,257
Accts. Rec.	<u>-0-</u>	<u>2,383</u>	<u>-0-</u>	<u>2,383</u>
	\$ <u>2,797</u>	\$ <u>2,873,035</u>	\$ <u>2,808,192</u>	\$ <u>67,640</u>
LIABILITIES:				
Due to Other Funds	\$ 2,797	\$ 435,426	\$ 405,902	\$32,321
Due to Other Taxing Entities	<u>-0-</u>	<u>2,437,609</u>	<u>2,402,290</u>	<u>35,319</u>
	\$ <u>2,797</u>	\$ <u>2,873,035</u>	\$ <u>2,808,192</u>	\$ <u>67,640</u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF PERRY  
COMBINED BALANCE SHEET - ALL PROPRIETARY FUND TYPES  
MARCH 31, 2006

PROPRIETARY  
FUND TYPES  
ENTERPRISE

ASSETS

CURRENT ASSETS:

Cash	\$41,696
Accounts Receivable	<u>2,380</u>
	<u>\$44,076</u>

LIABILITIES AND FUND EQUITY

Accounts Payable	\$ -0-
Retained Earnings	<u>44,076</u>
	<u>\$44,076</u>

The accompanying notes are an integral  
part of the financial statements.

TOWNSHIP OF PERRY  
 COMBINED STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN RETAINED EARNINGS  
 ALL PROPRIETARY FUND TYPES  
 YEAR ENDED MARCH 31, 2006

	PROPRIETARY FUND TYPES <u>ENTERPRISE</u>
REVENUES:	
Charges for Services	\$ 1,540
OPERATING EXPENSES:	
Operation & Maintenance	\$ 1,626
Utilities	<u>97</u>
TOTAL OPERATING EXPENSES	<u>\$ 1,723</u>
OPERATING INCOME	\$ (183)
NON-OPERATING REVENUES (EXPENSES):	
Interest Income	<u>\$ 1,292</u>
TOTAL	<u>\$ 1,292</u>
NET LOSS	\$ 1,109
Retained Earnings April 1, 2005	<u>42,967</u>
RETAINED EARNINGS MARCH 31, 2006	<u>\$44,076</u>

The accompanying notes are an integral  
 part of the financial statements.

TOWNSHIP OF PERRY  
COMBINED BALANCE SHEET - COMPONENT UNIT  
MARCH 31, 2006

TWP. OF PERRY  
DEVELOPMENT  
AUTHORITY

ASSETS

CURRENT ASSETS:

Cash	\$47,830
Due from Other Funds	<u>-0-</u>
	<u>\$47,830</u>

LIABILITIES AND FUND EQUITY

Accounts Payable	<u>\$ 2,384</u>
	\$ 2,384
Fund Balance	<u>45,446</u>
	<u>\$47,830</u>

The accompanying notes are an integral  
part of the financial statements.

TOWNSHIP OF PERRY  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL COMPONENT UNITS  
YEAR ENDED MARCH 31, 2006

	TWP OF PERRY DEVELOPMENT <u>AUTHORITY</u>
 REVENUES:	
Current Property Taxes	\$ 20,717
Interest	<u>1,671</u>
TOTAL REVENUES	\$ 22,388
 EXPENDITURES:	
Contracted Services	\$ 53,246
Professional Fees	<u>440</u>
TOTAL EXPENDITURES	\$ 53,686
 EXCESS OF REVENUES OVER EXPENDITURES	 \$(31,298)
 OTHER SOURCES OF FUNDS:	
Transfers In	<u>-0-</u>
TOTAL SOURCES OF FUNDS	\$ -0-
 EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES OF FUNDS	 \$(31,298)
 Fund Balance at April 1, 2005	 <u>76,744</u>
FUND BALANCE AT MARCH 31, 2006	\$ <u>45,446</u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF PERRY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2006

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Township of Perry conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

COMPONENT UNITS

The accompanying financial statements present the Township's primary government and component units over which the Township exercises significant influence. Significant influence was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligation of the Township to finance any deficits that may occur or receipt of significant subsidies from the Township Component Units that do not meet the criteria for blending are reported discretely.

DISCRETELY REPORTED  
COMPONENT UNITS

Township of Perry  
Development Authority

BRIEF DESCRIPTION OF ACTIVITIES  
AND RELATIONSHIP TO THE TOWNSHIP

Used for the administration of the Development Authority and planning of improvements in the downtown district.

Board members are appointed by the Township Council. The Development Authority is fiscally dependent upon the Township because the Township's Council approves the development authority's budget, levies taxes and must approve any debt issuance. The Development Authority is presented as a governmental fund type.

FUND ACCOUNTING

The accounts of the township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts consisting of assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into generic fund types and broad fund categories as follows:



TOWNSHIP OF PERRY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENT FUNDS

General Fund - The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The township maintains a capital project fund to account for money set aside by the township for future improvements of the township. The township deposits a portion of interest earned on investments of this fund directly to the General fund and is shown as interest income of that fund.

PROPRIETARY FUNDS

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

FIDUCIARY FUNDS

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organization, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

TOWNSHIP OF PERRY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIXED ASSETS

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Group, rather than in governmental funds. Public Domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are not capitalized with general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

TOWNSHIP OF PERRY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF ACCOUNTING (CONTINUED)

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include (1) accumulated unpaid vacation, sick pay and other employee amounts which are not accrued; and (2) principal and interest on general long-term debt which is recognized when due.

BUDGETS AND BUDGETARY ACCOUNTING

The Township follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to the beginning of the fiscal year, the clerk submits to the Township Board a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted in the Township to obtain taxpayer comments.
3. Prior to April 1, the budget is legally enacted through board approval.
4. The clerk is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter total expenditures of any fund must be approved by the Township Board.
5. The Township had amended the budget during the year.

CASH AND INVESTMENTS

Cash includes amounts in demand deposits. State statutes authorize the township to invest in obligations of the U.S. Treasury, Commercial Paper, corporate bonds and repurchase agreements.

Investments are stated at fair market value.

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

TOWNSHIP OF PERRY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY TAXES

Taxes levied on December 1, are payable on February 14. The Township bills and collects its own property taxes and taxes for the county and local school districts. Collections of the county and school taxes and remittances of them are accounted for in the current tax collection fund. Township property taxes are recognized when levied to the extent that they result in current receivables.

NOTE B - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	BALANCE 3-31-05	ADDITIONS	DELETIONS	BALANCE 3-31-06
Twp. Hall	\$291,178	\$195,148	\$ 1,781	\$484,545
Emergency Svcs. Bldg.	104,250	-0-	104,250	-0-
Fixt. & Furn.	119,032	1,472	-0-	120,504
Cemetery Equip.	26,862	800	-0-	27,662
	<u>\$541,322</u>	<u>\$197,420</u>	<u>\$106,031</u>	<u>\$632,711</u>

NOTE C - INTERFUND

At March 31, 2006, individual interfund receivable and payable balances were:

	INTERFUND RECEIVABLE	INTERFUND PAYABLE
Street Lights	\$	\$ 1,609
General	33,930	887
Paving Fund	631	
Road	256	
Tax Fund		32,321

USE OF ESTIMATES

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

TOWNSHIP OF PERRY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE D - EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

P.A. 621 of 1978, section 18 (1) as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a activity basis. The approved budgets of the township for these budgetary funds were adopted to the line item.

During the year ended March 31, 2006, the Township did incur expenditures in excess of the amounts appropriated, as follows:

	<u>APPROPRIATED</u>	<u>ACTUAL</u>	<u>ACTUAL OVER APPROPRIATED</u>
General Fund:			
Supervisor-Mileage	\$ 1,200	\$ 1,328	\$ 128
Supervisor-Other	1,500	2,600	1,100
Treasurers Supplies	600	1,129	529
Assessor Salaries	15,000	15,662	662
Hall & Ground-Contracted			
Services	4,500	5,044	544
Hall & Grounds - Telephone	3,000	3,023	23
General Salaries	1,000	1,155	155
Emergency Salaries	11,500	17,450	5,950
Publishing	3,000	3,854	854
Capital Outlay	5,000	58,900	53,900
Drains at Large	7,000	11,367	4,367
Transfers	130,000	139,768	9,768
Cemetery Fund:			
Unrealized Loss	-0-	1,195	1,195
Capital Projects Fund:			
Other	62,071	124,988	62,917
Sewer Maintenance Fund:			
Operating Payment	1,500	1,626	126

TOWNSHIP OF PERRY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE E - CASH AND CERTIFICATES OF DEPOSIT

The township's deposits at March 31, 2006 consisted of cash and certificates of deposit at two financial institutions:

<u>INSTITUTION A</u>	<u>AMOUNT</u>	<u>FDIC INSURED</u>	<u>UNINSURED</u>
Demand & Time Deposits	\$ 58,524	\$ 58,524	\$ -0-
 <u>INSTITUTION B</u>			
Demand & Time Deposits	<u>499,017</u>	<u>100,000</u>	<u>399,017</u>
TOTALS	<u>\$557,541</u>	<u>\$158,524</u>	<u>\$399,017</u>

NOTE F - GASB 34

The Township has elected not to present management's discussion and analysis report and display the financial position and changes in financial position of its business type activities as required by the Governmental Accounting Standard Board (GASB 34). Accounting principles generally accepted in the United States of America require the presentation of management's discussion and analysis report and the presentation of government-wide financial statements.

FINANCIAL STATEMENTS

OF

INDIVIDUAL FUNDS

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.



TOWNSHIP OF PERRY  
BALANCE SHEET  
MARCH 31, 2006

GENERAL FUND

ASSETS

ASSETS

Cash in Bank	\$211,998
Accounts Receivable	40,538
Taxes Receivable	10,052
Due from Other Funds	<u>33,930</u>
TOTAL ASSETS	<u>\$296,518</u>

LIABILITIES:

Accounts Payable	\$ 1,170
Payroll Taxes Due	1,506
Due to Other Funds	<u>887</u>
	\$ 3,563

GENERAL FUND BALANCE

292,955

TOTAL LIABILITIES AND GENERAL  
FUND BALANCE

\$296,518

The accompanying notes are an integral  
part of the financial statements.

TOWNSHIP OF PERRY  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED MARCH 31, 2006

GENERAL FUND  
2006

	<u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>
<b>REVENUES:</b>			
Property Taxes	\$ 66,000	\$ 76,358	\$ (10,358)
Tax Agreement	7,000	8,458	(1,458)
Trailer Tax	2,000	2,535	(535)
Miscellaneous	700	7,750	(7,050)
State Shared Rev.	220,000	247,858	(27,858)
Tax Admin. Fees	28,400	33,798	(5,398)
Interest Income	3,500	17,541	(14,041)
Rent Income	12,000	7,515	4,485
Cemetery	11,750	12,371	(621)
Cable TV	6,000	12,854	(6,854)
Licenses	<u>-0-</u>	<u>120</u>	<u>(120)</u>
TOTAL REVENUES	\$357,350	\$427,158	\$ (69,808)
<b>EXPENDITURES:</b>			
Twp. Board:			
Salaries	\$ 3,000	\$ 2,735	\$ 265
Other	<u>1,250</u>	<u>637</u>	<u>613</u>
TOTAL TWP. BOARD	\$ 4,250	\$ 3,372	\$ 878
Supervisor:			
Salaries	\$ 12,150	\$ 12,150	\$ -0-
Supplies	350	29	321
Mileage	1,200	1,328	(128)
Other	<u>1,500</u>	<u>2,600</u>	<u>(1,100)</u>
TOTAL SUPERVISOR	\$ 15,200	\$ 16,107	\$ (907)
Clerk:			
Salaries	\$ 15,000	\$ 15,000	\$ -0-
Deputy Clerk	5,000	3,884	1,116
Office Supplies	2,000	1,298	702
Mileage	1,000	363	637
Other	<u>2,000</u>	<u>1,178</u>	<u>822</u>
TOTAL CLERK	\$ 25,000	\$ 21,723	\$ 3,277

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF PERRY  
STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED MARCH 31, 2006

GENERAL FUND  
2006

	<u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>
EXPENDITURES:			
Board of Review:			
Salaries	\$ 1,100	\$ 720	\$ 380
Supplies	200	-0-	200
Other	<u>450</u>	<u>300</u>	<u>150</u>
TOTAL BOARD OF REVIEW	\$ 1,750	\$ 1,020	\$ 730
Treasurer:			
Salaries	\$ 15,000	\$ 12,500	\$ 2,500
Deputy Treasurer	10,000	6,898	3,102
Other	2,000	1,277	723
Mileage	1,000	520	480
Printing & Publishing	10,000	2,217	7,783
Supplies	600	1,129	(529)
Capital Outlay	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL TREASURER	\$ 38,600	\$ 24,541	\$ 14,059
Assessor:			
Salaries	\$ 15,000	\$ 15,662	\$ (662)
Deputy Assessor	400	400	-0-
Supplies	2,000	1,812	188
Other	<u>500</u>	<u>275</u>	<u>225</u>
TOTAL ASSESSOR	\$ 17,900	\$ 18,149	\$ (249)
Elections:			
Salaries	\$ 2,500	\$ 425	\$ 2,075
Printing	700	170	530
Supplies	2,000	1,341	659
Other	<u>2,750</u>	<u>-0-</u>	<u>2,750</u>
TOTAL ELECTIONS	\$ 7,950	\$ 1,936	\$ 6,014

The accompanying notes are an integral  
part of the financial statements.

TOWNSHIP OF PERRY  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED MARCH 31, 2006

GENERAL FUND  
2006

	<u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>
EXPENDITURES:			
Hall & Grounds:			
Salaries	\$ 10,000	\$ 9,798	\$ 202
Contracted Serv.	4,500	5,044	(544)
Utilities	7,000	6,976	24
Repairs & Maint.	10,000	1,777	8,223
Telephone	3,000	3,023	(23)
Supplies	2,000	1,437	563
Capital Outlay	4,000	3,533	467
Other	<u>6,350</u>	<u>7</u>	<u>6,343</u>
TOTAL HALL & GROUNDS	\$ 46,850	\$ 31,595	\$ 15,255
Other General Gov't:			
Salaries	\$ 1,000	\$ 1,155	\$ (155)
Audit	3,400	3,400	-0-
Insurance	10,000	7,470	2,530
Repairs & Maint.	5,000	213	4,787
Emergency Serv.	11,500	17,450	(5,950)
Engineering	25,000	18,786	6,214
Planning Comm.	5,250	3,715	1,535
Contributions	6,500	6,462	38
Dues & Subs.	3,500	2,285	1,215
Attorney	7,000	4,005	2,995
Publishing	3,000	3,854	(854)
Supplies	10,000	5,922	4,078
Capital Outlay	5,000	58,900	(53,900)
Pension	20,000	13,397	6,603
Other	46,745	79	46,666
Drains at Large	<u>7,000</u>	<u>11,367</u>	<u>(4,367)</u>
TOTAL OTHER GENERAL GOV'T	\$169,895	\$158,460	\$ 11,435

The accompanying notes are an integral  
part of the financial statements.

TOWNSHIP OF PERRY  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED MARCH 31, 2006

GENERAL FUND  
2006

	<u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>
<b>EXPENDITURES:</b>			
Cemetery:			
Salaries	\$ 14,000	\$ 13,325	\$ 675
Supplies	1,600	874	726
Repairs & Maint.	5,000	2,438	2,562
Opening & Closing	13,000	7,620	5,380
Utilities	1,500	647	853
Capital Outlay	<u>34,000</u>	<u>4,746</u>	<u>29,254</u>
TOTAL CEMETERY	\$ 69,100	\$ 29,650	\$ 39,450
 Roads	 <u>170,000</u>	 <u>143,191</u>	 <u>26,809</u>
TOTAL EXPENDITURES	\$ 566,495	\$449,744	\$ 116,751
 <b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>			
	\$ (209,145)	\$ (22,586)	\$ (186,559)
 <b>OTHER SOURCES (USES) OF FUNDS:</b>			
Transfers In	\$ 130,000	\$139,768	\$ (9,768)
Transfers Out	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
	\$ 130,000	\$139,768	\$ (9,768)
 <b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</b>			
	\$ <u>(79,145)</u>	117,182	\$ <u>(196,327)</u>
 Fund Balance April 1, 2005		<u>175,773</u>	
 FUND BALANCE MARCH 31, 2006		<u>\$292,255</u>	

The accompanying notes are an integral part of the financial statements.

## SPECIAL REVENUE FUNDS

### CEMETERY PERPETUAL CARE FUND

Cemetery Fund is used to account for monies received and disbursed for the maintenance of the Township's cemetery.

### ROAD FUND

Road Fund is used to account for monies received and disbursed for the maintenance of the Township's roads.

### STREET LIGHTS FUND

Street Lights Fund is used to account for monies received and disbursed for maintenance of Township Street Lights.

### PAVING FUND

Paving Fund is used to account for monies received and disbursed for paving.

TOWNSHIP OF PERRY  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
MARCH 31, 2006

	<u>2006</u>				
	<u>CEMETERY PERPETUAL CARE</u>	<u>ROADS</u>	<u>STREET LIGHTS</u>	<u>PAVING</u>	<u>TOTALS</u>
ASSETS:					
Cash in Bank	\$ 5,345	\$77,412	\$8,937	\$ 9,445	\$101,139
Investments	51,801				51,801
Due from General		256		631	887
Taxes Rec.	<u>-0-</u>	<u>4,062</u>	<u>940</u>	<u>11,132</u>	<u>16,134</u>
	<u>\$57,146</u>	<u>\$81,730</u>	<u>\$9,877</u>	<u>\$21,208</u>	<u>\$169,961</u>
LIABILITIES:					
Accounts Payable	\$	\$	\$	\$	\$
Due to Other Funds			1,609		1,609
FUND BALANCE:					
Fund Balance	<u>57,146</u>	<u>81,730</u>	<u>8,268</u>	<u>21,208</u>	<u>168,352</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$57,146</u>	<u>\$81,730</u>	<u>\$9,877</u>	<u>\$21,208</u>	<u>\$169,961</u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF PERRY  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
YEAR ENDED MARCH 31, 2006

	<u>2006</u>				
	<u>CEMETERY PERPETUAL CARE</u>	<u>ROADS</u>	<u>STREET LIGHTS</u>	<u>PAVING</u>	<u>TOTALS</u>
REVENUES:					
Perpetual Care	\$ 300	\$	\$	\$	\$ 300
Prop. Taxes & Assmts.		40,918	6,390		47,308
Int. Income	<u>2,548</u>	<u>3,511</u>	<u>123</u>	<u>114</u>	<u>6,296</u>
TOTAL REVENUES	\$ 2,848	\$ 44,429	\$ 6,513	\$ 114	\$ 53,904
EXPENDITURES:					
Road Comm.	\$	\$	\$	\$	\$
Ambulance or Fire Protect.					
Other	<u>1,195</u>		<u>8,079</u>		<u>9,274</u>
TOTAL EXPEND.	\$ 1,195	\$ -0-	\$ 8,079	\$	\$ 9,274
EXCESS OF REVENUES OVER (UNDER) EXPEND.					
	\$ 1,653	\$ 44,429	\$ (1,566)	\$ 114	\$ 44,630
OTHER SOURCES (USES) OF FUNDS:					
Transfers In	\$	\$	\$	\$	\$
Transfers Out		<u>139,768</u>			<u>139,768</u>
	\$	\$ <u>139,768</u>	\$	\$	\$ <u>139,768</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES) OF FUNDS					
	\$ 1,653	\$ (95,339)	\$ (1,566)	\$ 114	\$ (95,138)
Fund Balance					
4-1-05	<u>55,493</u>	<u>177,069</u>	<u>9,834</u>	<u>21,094</u>	<u>263,490</u>
FUND BALANCE					
3-31-06	\$ <u>57,146</u>	\$ <u>81,730</u>	\$ <u>8,268</u>	\$ <u>21,208</u>	\$ <u>168,352</u>

The accompanying notes are an integral  
part of the financial statements.



TOWNSHIP OF PERRY  
BALANCE SHEET  
MARCH 31, 2006

CEMETERY PERPETUAL CARE FUND

	<u>2006</u>
ASSETS:	
Cash in Bank	\$ 5,345
Certificate of Deposit	<u>51,801</u>
TOTAL ASSETS	<u>\$57,146</u>
 CEMETERY PERPETUAL CARE FUND BALANCE	 <u>\$57,146</u>

The accompanying notes are an integral  
part of the financial statements.

TOWNSHIP OF PERRY  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED MARCH 31, 2006

CEMETERY PERPETUAL CARE FUND  
2006

	<u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>
<b>REVENUES:</b>			
Investment Income	\$59,000	\$	\$59,000
Perpetual Care	500	300	200
Interest Income	<u>30</u>	<u>2,548</u>	<u>(2,516)</u>
TOTAL REVENUES	\$59,530	\$ 2,848	\$56,684
<b>EXPENDITURES:</b>			
Other	\$64,530	\$	\$64,530
Realized Loss on Investments			
Unrealized Loss on Investments		<u>1,195</u>	<u>(1,195)</u>
TOTAL EXPENDITURES	<u>\$64,530</u>	<u>\$ 1,195</u>	<u>\$63,335</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>			
	\$(5,000)	\$ 1,653	\$(6,651)
<b>OTHER SOURCES (USES) OF FUNDS:</b>			
Transfer In	\$ -0-	\$ -0-	\$ -0-
Transfer Out	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</b>			
	\$(5,000)	\$ 1,653	\$(6,651)
Fund Balance April 1, 2005		<u>55,493</u>	
FUND BALANCE MARCH 31, 2006		<u>\$57,146</u>	

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF PERRY  
BALANCE SHEET  
MARCH 31, 2006

ROAD FUND

	<u>2006</u>
ASSETS:	
Cash in Bank	\$ 77,412
Taxes Receivable	4,062
Due from General	<u>256</u>
TOTAL ASSETS	<u>\$ 81,730</u>
LIABILITIES:	
Accounts Payable	\$ -0-
FUND BALANCE	<u>81,730</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 81,730</u>

The accompanying notes are an integral  
part of the financial statements.

TOWNSHIP OF PERRY  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
YEAR ENDED MARCH 31, 2006

	<u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>
REVENUES:			
Metro Act	\$ 3,000	\$ -0-	\$ 3,000
Property Taxes	40,000	40,918	(918)
Interest Earned	<u>1,000</u>	<u>3,511</u>	<u>(2,511)</u>
TOTAL REVENUES	\$ 44,000	\$ 44,429	\$ (429)
EXPENDITURES:			
Road Maintenance	\$ -0-	\$ -0-	\$ -0-
Other	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL EXPENDITURES	\$ -0-	\$ -0-	\$ -0-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES			
	\$ (154,801)	\$ 44,429	\$ (429)
OTHER SOURCES (USES) OF FUNDS:			
Transfer In	\$ 15,000	\$ -0-	\$ 15,000
Transfer Out	<u>198,801</u>	<u>139,768</u>	<u>59,033</u>
	\$ 183,801	\$139,768	\$ 44,033
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES) OF FUNDS			
	\$ ( <u>139,801</u> )	\$ (95,339)	\$ ( <u>44,462</u> )
Fund Balance April 1, 2005		<u>177,069</u>	
FUND BALANCE MARCH 31, 2006		<u>\$ 81,730</u>	

The accompanying notes are an integral  
part of the financial statements.

TOWNSHIP OF PERRY  
BALANCE SHEET  
MARCH 31, 2006

STREET LIGHTS FUND

	<u>2006</u>
ASSETS:	
Cash in Bank	\$8,937
Taxes Receivable	<u>940</u>
TOTAL ASSETS	<u>\$9,877</u>
LIABILITIES:	
Due to Other Funds	\$1,609
Accounts Payable	-0-
FUND BALANCE	<u>8,268</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$9,877</u>

The accompanying notes are an integral  
part of the financial statements.

TOWNSHIP OF PERRY  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED MARCH 31, 2006

STREET LIGHTS FUND

	<u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>
<b>REVENUES:</b>			
Interest	\$	\$ 123	\$ (123)
Property Taxes	<u>6,300</u>	<u>6,390</u>	<u>(90)</u>
TOTAL REVENUES	\$ 6,300	\$ 6,513	\$ (213)
<b>EXPENDITURES:</b>			
Other	\$ <u>13,913</u>	\$ 8,079	\$ <u>5,834</u>
TOTAL EXPENDITURES	\$13,913	\$ 8,079	\$ 5,834
<b>EXCESS OF REVENUES OVER (UNDER)</b>			
EXPENDITURES	\$ (7,613)	\$ (1,566)	\$ (6,047)
<b>OTHER SOURCES (USES) OF FUNDS:</b>			
Transfer In	\$ -0-	\$ -0-	\$ -0-
Transfer Out	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
	\$ -0-	\$ -0-	\$ -0-
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES) OF FUNDS</b>			
	\$ <u>(7,613)</u>	\$ (1,566)	\$ <u>(6,047)</u>
Fund Balance April 1, 2005		<u>9,834</u>	
FUND BALANCE MARCH 31, 2006		<u>\$8,268</u>	

The accompanying notes are an integral  
part of the financial statements.

TOWNSHIP OF PERRY  
BALANCE SHEET  
MARCH 31, 2006

PAVING FUND

	<u>2006</u>
ASSETS:	
Cash in Bank	\$ 9,445
Taxes Receivable	11,132
Due from General	<u>631</u>
TOTAL ASSETS	<u>\$21,208</u>
LIABILITIES:	
Accounts Payable	\$ -0-
FUND BALANCE	<u>21,208</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$21,208</u>

The accompanying notes are an integral  
part of the financial statements.

TOWNSHIP OF PERRY  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED MARCH 31, 2006

PAVING FUND

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ACTUAL (OVER) UNDER BUDGET</u>
<b>REVENUES:</b>			
Property Taxes	\$ -0-	\$ -0-	\$ -0-
Interest Earned	<u>-0-</u>	<u>114</u>	<u>(114)</u>
TOTAL REVENUES	\$ -0-	\$ 114	\$ (114)
<b>EXPENDITURES:</b>			
Supplies	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>
TOTAL EXPENDITURES	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>			
	\$ -0-	\$ 114	\$ (114)
<b>OTHER SOURCES (USES) OF FUNDS:</b>			
Transfer In	\$ -0-	\$ -0-	\$ -0-
Transfer Out	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES) OF FUNDS</b>			
	\$ <u>-0-</u>	\$ 114	\$ <u>(114)</u>
Fund Balance April 1, 2005		<u>21,094</u>	
FUND BALANCE MARCH 31, 2006		<u>\$21,208</u>	

The accompanying notes are an integral part of the financial statements.



CAPITAL PROJECTS FUND

IMPROVEMENT FUND

The Improvement Fund is used to account  
for money set aside by the Township Board  
for future improvements within the Township.

TOWNSHIP OF PERRY  
CAPITAL PROJECTS FUND  
COMBINING BALANCE SHEET  
MARCH 31, 2006

	<u>2006</u>
ASSETS:	
Cash	\$ <u>89,621</u>
TOTAL ASSETS	\$ <u><u>89,621</u></u>
LIABILITIES	\$ <u>-0-</u>
TOTAL LIABILITIES	\$ <u>-0-</u>
FUND BALANCE	<u>89,621</u>
TOTAL LIABILITIES AND CAPITAL FUND BALANCE	\$ <u><u>89,621</u></u>

The accompanying notes are an integral  
part of the financial statements.

TOWNSHIP OF PERRY  
CAPITAL PROJECT FUND  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED MARCH 31, 2006

	<u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>
<b>REVENUES:</b>			
Interest Earned	\$ 500	\$ 5,849	\$ (5,349)
TOTAL REVENUES	\$ 500	\$ 5,849	\$ (5,349)
<b>EXPENDITURES:</b>			
Other	\$ 62,071	\$ 124,988	\$ (62,917)
TOTAL EXPENDITURES	\$ 62,071	\$ 124,988	\$ (62,917)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (61,571)	\$ (119,139)	\$ 57,568
<b>OTHER SOURCES (USES) OF FUNDS:</b>			
Transfers In	\$ -0-	\$ -0-	\$ -0-
Transfers Out	\$ -0-	\$ -0-	\$ -0-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES) OF FUNDS	\$ (61,571)	\$ (119,139)	\$ 57,568
Fund Balance April 1, 2005		208,760	
FUND BALANCE MARCH 31, 2006		\$ 89,621	

The accompanying notes are an integral  
part of the financial statements.

FIDUCIARY FUND

CURRENT TAX COLLECTION FUND

Current Tax Collection Fund is used to receive the Township's current tax collections and to distribute such monies to the Township funds involved therein, and to other governmental agencies.

TOWNSHIP OF PERRY  
CURRENT TAX COLLECTION FUND  
BALANCE SHEET  
MARCH 31, 2006

	<u>2006</u>
ASSETS:	
Cash in Bank	\$65,257
Accounts Receivable	<u>2,383</u>
TOTAL ASSETS	<u>\$67,640</u>
LIABILITIES:	
Due to Other Funds	\$32,321
Due to Other Governmental Units	<u>35,319</u>
TOTAL LIABILITIES	\$67,640
FUND BALANCE	<u>-0-</u>
	<u>\$ -0-</u>

The accompanying notes are an integral  
part of the financial statements.

TOWNSHIP OF PERRY  
CURRENT TAX COLLECTION FUND  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
YEAR ENDED MARCH 31, 2006

2006

BALANCE APRIL 1,	\$ 2,797
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RECEIPTS:

Current Property Taxes	\$2,772,904
Collection Fees and Late Charges	17,934
Other Current Taxes	15,213
Dog Licenses	1,850
Interest Earned	12,861
Delinquent Taxes	43,542
Overpayments	<u>6,348</u>
TOTAL RECEIPTS AND BEGINNING BALANCE	\$2,873,449

DISBURSEMENTS:

Morrice	\$ 213,936
Shiawassee County	1,511,339
Lights Fund	5,815
Perry Schools	553,073
Morrice Schools	117,894
Paving Fund	8,174
General Fund	209,386
Ambulance Fund	66,017
Fire Fund	95,793
Refunds	6,048
Downtown Development Fund	<u>20,717</u>
TOTAL DISBURSEMENTS	\$2,808,192

BALANCE MARCH 31,	\$ <u>65,257</u>
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The accompanying notes are an integral part of the financial statements.

GENERAL FIXED ASSET ACCOUNT GROUP

To account for fixed assets of  
the Township.

TOWNSHIP OF PERRY  
GENERAL FIXED ASSETS GROUP OF ACCOUNTS  
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS  
MARCH 31, 2006

	<u>BALANCE</u> <u>3-31-05</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>3-31-06</u>
Twp. Hall	\$291,178	\$195,148	\$ 1,781	\$484,545
Emergency Svc.				
Bldg.	104,250	-0-	104,250	-0-
Fixt. & Furn.	119,032	1,472	-0-	120,504
Cemetery Equip.	<u>26,862</u>	<u>800</u>	<u>-0-</u>	<u>27,662</u>
	<u>\$541,322</u>	<u>\$197,420</u>	<u>\$106,031</u>	<u>\$632,711</u>

The accompanying notes are an integral  
part of the financial statements.



ENTERPRISE FUND

Sewer Maintenance - To account for the maintenance of sewer services to the residents of the Township. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration operations, maintenance, financing and related debt service, and billing and collection.

TOWNSHIP OF PERRY  
SEWER MAINTENANCE FUND  
BALANCE SHEET  
MARCH 31, 2006

ASSETS

2006

ASSETS:

Cash	\$41,696
Accounts Receivable	<u>2,380</u>
	<u>\$44,076</u>

LIABILITIES AND FUND EQUITY:

Retained Earnings	<u>\$44,076</u>
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The accompanying notes are an integral  
part of the financial statements.

TOWNSHIP OF PERRY  
SEWER MAINTENANCE FUND  
STATEMENT OF REVENUES, EXPENSES  
AND RETAINED EARNINGS - BUDGET AND ACTUAL  
YEAR ENDED MARCH 31, 2006

	<u>2006</u>		
	<u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>
OPERATING REVENUES:			
Charges for Services	\$ 4,000	\$ 1,540	\$ 2,460
Interest Income	<u>400</u>	<u>1,292</u>	<u>(892)</u>
	\$ 4,400	\$ 2,832	\$ 1,568
OPERATING EXPENSES:			
Operations Payment	\$ 1,500	\$ 1,626	\$ (126)
Repairs & Maintenance	1,000	-0-	1,000
Utilities	100	89	11
Miscellaneous	<u>43,076</u>	<u>8</u>	<u>43,068</u>
TOTAL EXPENSES	\$ <u>45,676</u>	\$ <u>1,723</u>	\$ <u>43,953</u>
OPERATING INCOME (LOSS)	\$ (41,276)	\$ 1,109	\$ (42,385)
OTHER FINANCING USES:			
Transfers In	\$ -0-	\$ -0-	\$ -0-
Transfers Out	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
NET INCOME (LOSS)	\$ <u>(41,276)</u>	\$ 1,109	\$ <u>(42,385)</u>
Retained Earnings April 1, 2005		<u>42,967</u>	
RETAINED EARNINGS MARCH 31, 2006		<u>\$44,076</u>	

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF PERRY DEVELOPMENT AUTHORITY

The Township of Perry Development Authority is organized under the State of Michigan P.A. 197 of 1975 and is used to account for monies raised under this act for creation and implementation of development plans for the Township of Perry.

TOWNSHIP OF PERRY  
DEVELOPMENT AUTHORITY  
BALANCE SHEET  
MARCH 31, 2006

ASSETS:

Cash in Bank	\$47,830
Due from Primary Gov't	<u>-0-</u>
TOTAL ASSETS	<u>\$47,830</u>

Liabilities	\$ 2,384
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FUND BALANCE	<u>45,446</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$47,830</u>

The accompanying notes are an integral  
part of the financial statements.

TOWNSHIP OF PERRY  
DEVELOPMENT AUTHORITY  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
YEAR ENDED MARCH 31, 2006

2006

	<u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>
<b>REVENUES:</b>			
Current Property Taxes	\$ 19,000	\$ 20,717	\$ (1,717)
Interest Income	<u>500</u>	<u>1,671</u>	<u>(1,171)</u>
TOTAL REVENUES	\$ 19,500	\$ 22,388	\$ (2,888)
<b>EXPENDITURES:</b>			
Contracted Services	\$ 84,109	\$ 53,246	\$ 30,863
Other	10,000	-0-	10,000
Professional Fees	<u>2,000</u>	<u>440</u>	<u>1,560</u>
TOTAL EXPENDITURES	\$ <u>96,109</u>	\$ <u>53,686</u>	\$ <u>42,423</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>			
	\$ (76,609)	\$ (31,298)	\$ (45,311)
<b>OTHER SOURCES (USES) OF FUNDS:</b>			
Transfers In	\$ -0-	\$ -0-	\$ -0-
Transfers Out	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>
TOTAL OTHER SOURCES (USES) OF FUNDS	\$ -0-	\$ -0-	\$ -0-
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES OF FUNDS</b>			
	\$ <u>(76,609)</u>	\$ (31,298)	\$ <u>(45,311)</u>
Fund Balance April 1, 2005		<u>76,744</u>	
FUND BALANCE March 31, 2006		\$ <u>45,446</u>	

The accompanying notes are an integral  
part of the financial statements.



## DEMIS and WENZLICK, P.C.

*Certified Public Accountants*

217 N. Washington Street  
Pabst Building, Suite 201  
Owosso, MI 48867

989-723-8227 • FAX 989-725-5143  
E-MAIL [office@dw-cpa.com](mailto:office@dw-cpa.com)

James Demis, Jr., C.P.A.  
LaVearn G. Wenzlick, C.P.A.  
Lori S. Chant, C.P.A.  
Geraldine Terry, C.P.A.

Carol A. Demis  
Jeanette Gaitskill  
Greg Irish  
Janis K. Mead  
Tammy Pappas  
David Pullen  
Peggy Ryan  
Joyce M. Simmons  
Barbara Wenzlick  
Gail Winnick, C.P.A.

Members of the Township Board  
Township of Perry  
Shiawassee County, Michigan

In compliance with the provisions of Section 11, Paragraph 2, of Act 2, Public Acts of 1968, we wish to render our report of comments and recommendations which were formulated as a result of the examination our firm performed on the financial statements of the Township of Perry for the year ended March 31, 2006.

As a result of our examination of the Township's financial statements, we make the following comment:

### BUDGET

The State Revenue Sharing Distribution; Law, P.A. 176, of 1980, includes a compliance requirement in budgeting. It is required under this act that expenditures do not exceed the budget. Expenditures include accounts payable at March 31.

### TIMELINESS

Bank Reconciliations should be performed on a monthly basis. Receipts and disbursements per bank statement must equal receipts and disbursements per the general ledger.

Taxes collected should be disbursed bi-monthly.

All deposits should be made timely.

Sewer billings have not been prepared for over 6 months. These should be done quarterly.

### PAYROLL

Monthly salaries should be paid consistently either at the end of the current month or the beginning of the following month.

Withholding for the previous Treasurer's retirement distribution has not been paid.

W-2 and 1099 wages reported to not match General Ledger amounts. The same situation occurred for Medicare taxes. Taxes and wages should be reconciled with the General Ledger.

## EXPENSES

We have provided staff with state guidance as to legal expenditures. We recommend that the Township be familiar with this guidance for reference.

All checks written should have documentation attached.

## GENERAL ACCOUNTING PROCEDURES

The Township should record deposits as income and checks as expenses. Some deposits were recorded as an offset to expense accounts.

Income and expense should be properly classified in the general ledger. For example, all wages should be recorded in wage accounts and tax revenue should be split into various income accounts.

Transfers between funds must be recorded correctly in both funds.

When using invoices generated by the software for sewer billings, payments received should be recorded against the receivable rather than as income.

## BUDGET

We recommend that the budget be adopted at the department level.

We wish to thank the board for the excellent cooperation we received in performing the Township audit. If we can be of any further assistance to the Township in these matters, or any future matters, please do not hesitate to contact us.

Certified Public Accountants

*Domin and Wenzel, PC*

Owosso, MI  
July 13, 2006